



HR1346

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HOUSE RESOLUTION

2 WHEREAS, The Illinois Covering ALL KIDS Health Insurance
3 Program was created by the General Assembly and the Governor in
4 2005 with the intent to make Illinois the first state in the
5 nation to provide affordable, comprehensive health insurance
6 for every child in the State; and

7 WHEREAS, At the time the Covering ALL KIDS Program was
8 established, it was estimated based on adjusted 2003 Census
9 data that 253,000 children in Illinois were without health
10 insurance, more than half of whom came from working and middle
11 class families who earned too much to qualify for other State
12 health care assistance programs, but did not have enough money
13 to afford private health insurance; in the years since, due to
14 the effects of a national recession and economic slowdown worse
15 than any experienced since the Great Depression era, the need
16 to provide access to health care to children whose families
17 lost jobs, income, and insurance formerly provided by a
18 parent's employer, has become even greater; and

19 WHEREAS, Research shows that uninsured children suffer
20 because they do not have access to adequate medical care; this
21 factor puts uninsured children at higher risk for
22 hospitalization or missed diagnoses of serious conditions;
23 children without health insurance often delay treatment, which

1 can result in more complex, specialized, expensive, and
2 emergency care for critical conditions; and

3 WHEREAS, Studies have demonstrated that children with
4 health coverage are more likely to get preventative care, stay
5 healthy, have higher rates of school attendance, and perform
6 better academically; and

7 WHEREAS, While the uninsured pay approximately 35% of their
8 medical bills out of pocket, more than 40% ends up being
9 absorbed by those who do have health insurance in the form of
10 higher premiums; and

11 WHEREAS, The Covering ALL KIDS Program is intended to make
12 available to children comprehensive health insurance to cover
13 doctors' visits, hospital stays, prescription drugs, vision
14 care, dental care, and medical devices; parents are required to
15 make monthly premiums and co-payments for doctors' visits and
16 prescription drugs at affordable rates determined by their
17 family's income; and

18 WHEREAS, The Illinois Hospital Association, the Illinois
19 Academy of Family Physicians, and the Illinois State Medical
20 Society supported the creation of the Covering ALL KIDS
21 Program; businesses, labor organizations, community service
22 agencies, non-profit organizations, clergy, and elected

1 officials from across the State gave the Program their
2 endorsement; and

3 WHEREAS, Legislation to establish the Covering ALL KIDS
4 Program, House Bill 806 of the 94th General Assembly, passed
5 the House and the Senate with bipartisan majorities in October
6 2005; the bill was signed into law in November 2005 and became
7 effective July 1, 2006; and

8 WHEREAS, The clear intention of the lawmakers who supported
9 the creation of the Covering ALL KIDS Program was that it would
10 be run in a competent, professional, and responsible manner;
11 that State health care agency officials and employees would use
12 the authority granted to them by statute to administer the
13 Program properly and to ensure that enrollees and their
14 families were correctly screened for State residency and income
15 verification and required to pay the appropriate premiums for
16 their income level; and that proper documentation and records
17 for Program participants would be maintained; and

18 WHEREAS, In September 2008, lawmakers approved via
19 unanimous, bipartisan votes House Bill 1533 of the 95th General
20 Assembly, which became effective June 1, 2009 and required the
21 Illinois Auditor General to conduct annual audits of the
22 Covering ALL KIDS Program, including payments for health
23 services covered by the Program and contracts entered into by

1 the Department of Healthcare and Family Services; and

2 WHEREAS, On May 11, 2010, the Auditor General released a
3 report entitled "Program Audit of Covering ALL KIDS Health
4 Insurance Program"; among the audit's findings were that the
5 Department of Healthcare and Family Services incorrectly
6 categorized some documented immigrants as undocumented
7 immigrants, the number of undocumented immigrants, as well as
8 the costs associated with them, are overstated in data provided
9 by the Department, and the number of documented immigrants, as
10 well as the costs associated with them, are also understated;
11 the Auditor General noted that by not correctly classifying
12 documented immigrants, not only is the Department reporting
13 incorrect data, it is also losing out on federal matching funds
14 it could be receiving for documented immigrants; and

15 WHEREAS, The Auditor General also found that the Department
16 of Healthcare and Family Services and the Department of Human
17 Services were not obtaining documentation to support
18 eligibility in some instances; in particular, procedures for
19 verifying residency and income had not been utilized in many of
20 the case files reviewed by the Auditor General; as a result,
21 the Auditor General could not determine whether eligibility was
22 determined correctly by the Departments; this could result in a
23 family paying a higher premium or co-pay, or could result in
24 the State paying for a greater portion of a child's medical

1 services than necessary; and

2 WHEREAS, The Auditor General reported that the Department
3 of Healthcare and Family Services had difficulty producing
4 complete and accurate sets of data in a timely fashion for the
5 audit; that the Department of Healthcare and Family Services
6 and the Department of Human Services did not have adequate
7 controls in place to ensure that individuals over the age of 18
8 were terminated from Covering ALL KIDS eligibility as required
9 by State law; that the Departments did not have adequate
10 controls in place to ensure that individuals were not enrolled
11 in the Covering ALL KIDS Program more than once with the likely
12 consequence that duplicate enrollees would overstate the
13 number of children served by the Program as well as indicate a
14 weakness in internal controls associated with enrolling the
15 children; and

16 WHEREAS, The Auditor General's report contained 13
17 recommendations; 8 recommendations were specifically for the
18 Department of Healthcare and Family Services and 5
19 recommendations were for both the Department of Healthcare and
20 Family Services and the Department of Human Services; both
21 Departments generally agreed or partially agreed with all 13
22 recommendations; and

23 WHEREAS, It is vitally important that the people of

1 Illinois have faith that the Covering ALL KIDS Program is being
2 administered according to the requirements of the law and in
3 the best interests of the taxpayers of Illinois; that
4 participants are screened correctly for residency,
5 eligibility, and income levels; that enrollees pay the proper
6 amounts for the care they receive; and that proper records are
7 maintained; therefore, be it

8 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
9 NINETY-SIXTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we
10 request that the Director of the Department of Healthcare and
11 Family Services, the Secretary of the Department of Human
12 Services, the Chief Operating Officer of the State, and the
13 Deputy Governor with responsibility for the Covering ALL KIDS
14 Health Insurance Program, be prepared to testify before the
15 House State Government Administration Committee during the
16 General Assembly's 2010 fall Veto Session about the steps they
17 have taken to rectify the problems uncovered by the Auditor
18 General's audit of the Covering ALL KIDS Program; that we urge
19 the Governor to take appropriate action to hold those who have
20 failed to operate the Covering ALL KIDS Program properly or
21 misled the public, press, lawmakers, or auditors accountable
22 for their actions via discipline, reprimand, or termination;
23 and be it further

24 RESOLVED, That copies of this resolution be delivered to

1 the Governor, the Chief Operating Officer for the State of
2 Illinois, the Director of the Department of Healthcare and
3 Family Services, and the Secretary of the Department of Human
4 Services.